GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3420
ANSWERED ON:18.12.2015
Saving/Demat Accounts
Gavit Dr. Heena Vijaykumar;Jayavardhan Dr. Jayakumar

Will the Minister of FINANCE be pleased to state:

(a) whether the Government is considering a proposal that people opening saving bank accounts be automatically given a demat account; if so, the details thereof along with the objective behind the move;

(b) whether the Government will charge fee if the accountholder operates the demat account;

(c) if so, the details thereof along with the fee to be charged; and
(d) the other steps taken/being taken by the Government to bring larger chunk of household savings into the stock market?

Answer

(a): No, Madam.
(b) & (c): Does not arise in view of reply to (a) above.
(d): Securities and Exchange Board of India (SEBI) has been established under the Securities and Exchange Board of India Act, 1992 to protect the interests of the investors in the securities markets and to develop and regulate the securities markets. Various steps taken/being taken by the Central Government/SEBI to attract retail investors in the securities markets, inter-alia, include launch of the Rajiv Gandhi Equity Savings Scheme; modification in the 'offer for sale' framework to provide for a reservation of a minimum 10% of the offer size to retail investors and to permit sellers to offer discounts to retail investors; introduction of a facility of Basic Services Demat Account; simplification and rationalization of trading and demat account opening process; implementation of the single KYC for all the registered intermediaries in the securities markets; and permitting Asset Management Companies (AMCs) to charge additional TER (up to 30bps) depending upon the extent of new inflows from locations beyond top 15 cities. SEBI has also taken various initiatives for investor education which, inter-alia, include launch of dedicated investor website; conducting various investor awareness programs; regional seminars; setting up stalls at various fairs and exhibitions; and mass media campaigns.

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